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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 21, 2003

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY D/B/A DOMINION VIRGINIA POWER

CASE NO. PUE-2001-00663

For a certificate of public convenience and necessity for facilities in Fluvanna County: Two parallel 500 kV transmission lines to provide service to Tenaska Virginia Partners, L.P.'s electric generating facility

ORDER GRANTING AMENDED CERTIFICATE

On November 29, 2001, as revised on December 4, 2001, Virginia Electric and Power Company d/b/a Dominion Virginia Power ("Dominion" or "Company") filed an application ("Application") with the State Corporation Commission ("Commission") for approval and certification of electric facilities in Fluvanna County. Dominion proposes to construct and operate two parallel 500 kV transmission lines, extending the length of approximately 0.91 mile, to provide service to a new 900 MW natural gas-fired combined-cycle power plant to be constructed by Tenaska Virginia Partners, L.P. ("Tenaska"), in Fluvanna County. Approximately 0.76 mile of the right-of-way needed to construct both transmission lines is on property owned by Tenaska, and the remaining 0.15 mile is on private property. Dominion proposes to cut its existing Dooms-Elmont 500 kV transmission line and

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¹ The Tenaska facility was approved by a majority of the Commission on April 19, 2002. <u>Application of Tenaska</u> Virginia Partners, L.P., Case No. PUE-2001-00039, Final Order (April 19, 2002).

loop new lines in and out of a new switching station as the most practical and least cost option for interconnecting the Tenaska facility.

On March 22, 2002, the Commission issued an Order for Notice and Hearing docketing this case, directing the Company to provide public notice of its Application, establishing a procedural schedule, setting hearings on this matter, directing Commission Staff ("Staff") to investigate the Application, and appointing a Hearing Examiner to conduct further proceedings.

On June 3, 2002, public hearings were convened in Palmyra to receive public witness testimony. Rebecca W. Hartz, Esquire, appeared on behalf of Staff, and M. Renae Carter, Esquire, appeared for the Company. No public witnesses offered comment at the hearing

On June 7, 2002, Staff filed a report on the Application. Staff also attached to its report a coordinated review of the Application prepared by the Department of Environmental Quality ("DEQ") dated May 21, 2002, which contained the DEQ's recommendations, for the Commission's consideration in issuing a certificate, of environmental mitigation measures to be taken by Dominion ("DEQ Recommendations"). Staff recommended that the Commission approve the Application, and that the DEQ Recommendations be required as conditions of the certificate. Dominion filed rebuttal testimony on June 17, 2002.

On June 27, 2002, a public hearing was convened in Richmond. M. Renae Carter, Esquire, James C. Dimitri, Esquire, and Jill C. Hayek, Esquire, appeared for the Company. Rebecca W. Hartz, Esquire, appeared on behalf of Staff. No public witnesses offered comment at the hearing.

On November 5, 2002, Chief Hearing Examiner Deborah V. Ellenberg entered a Report summarizing the record and analyzing the evidence and issues in this proceeding. The Examiner

recommended that the Commission grant Dominion an amended certificate of public convenience and necessity for the Dooms-Elmont transmission line, and made the following findings:

- (1) The proposed transmission lines are necessary to interconnect the approved Tenaska facility to Dominion's transmission system;
- (2) The proposed lines will have no adverse impact on system reliability, and may increase the reliability of the Dooms-Elmont line on a per-mile basis;
- (3) The proposed route will reasonably minimize adverse impacts on the scenic assets, historic districts, and the environment of the area concerned;
 - (4) The proposed route minimizes acquisition of additional right-of-way;
- (5) The proposed transmission lines will have no adverse impact on economic development in Fluvanna County;
 - (6) The Company should be required to comply with the DEQ Recommendations; and
- (7) The proposed project is in the public convenience and necessity and therefore should be approved.

On November 13, 2002, the Company submitted a response to the Report. The Company supported the findings and recommendations of the Report, with a clarification and requested modification. The Company explained that the average span between towers, based on the design presented at the hearing, was 1100 feet for the lines constructed between the existing 500 kV line and the Company's switching station. For the lines between the switching station and the Tenaska facility, the approximate average span was estimated to be 750 feet. The Company stated, however, that the final design likely will yield average span lengths of approximately 750 feet for the entire length of the

line, and that the average height of the structures will be approximately 100 feet, which is lower than the design presented at the hearing.

In its November 13, 2002, response, the Company also noted certain developments that have taken place since the hearing with respect to environmental issues raised in this case. Dominion stated, among other things, that environmental site assessments have been prepared by Burgess and Niple for the entire Tenaska property. Dominion further asserted that the assessments have been discussed with Mr. Thomas Modena of the DEQ Office of Remedial Programs, who advised the Company that additional hazardous waste studies will not be required. Thus, the Company requested the Commission to recognize that the recommendation by the DEQ's Waste Program's Division regarding an environmental site assessment has been satisfied based on the availability of the assessments prepared by Burgess and Niple.

On December 9, 2002, Staff filed a reply to the Company's response of November 13, 2002. The reply stated that Staff has no concern with the final design of the transmission line as set forth in the Company's response, as long as the conductor clearance requirements and all other applicable requirements of the National Electrical Safety Code ("NESC") continue to be met. Staff also attached a December 3, 2002, letter from the DEQ replying to the Company's explanation of the final design of the line and the Company's November 13, 2002, response. The DEQ explained in such letter that it appears, under the final design, that the maximum number of transmission towers would increase by one. The DEQ also noted that it does not wish to change the recommendations contained in its coordinated review dated May 21, 2002. Finally, the DEQ stated that, provided the Company adheres to the DEQ Recommendations, the DEQ has no objection to the new configuration of transmission line towers proposed in Dominion's response of November 13, 2002. The Company has not objected to

the recommendations contained in Staff's reply of December 9, 2002, and in the DEQ's letter of December 3, 2002.

NOW THE COMMISSION, having considered the record, the pleadings, the Hearing Examiner's Report, the Company's response thereto and the Staff's reply,² and the applicable law, is of the opinion and finds as follows.

We adopt the Hearing Examiner's findings listed above. We find that the proposed project satisfies §§ 56-46.1 and 56-265.2 of the Code of Virginia ("Code"). Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 et seq.) of Title 56 of the Code, we grant Dominion an amended certificate of public convenience and necessity for the Dooms-Elmont transmission line.

The transmission project that we approve today is based on the final design as set forth in the Company's November 13, 2002, response to the Hearing Examiner's report. This design differs from the design presented at the hearing and will yield average span lengths of approximately 750 feet for the entire length of the line and average structure heights of approximately 100 feet, which is lower than the design presented by the Company earlier. We note that the Company did not submit this final design in the normal course of the proceeding. Rather, the Company submitted the final design after the evidentiary hearings and after issuance of the Hearing Examiner's report. The only participants in this case, however, are Staff and, as facilitated by Staff, the DEQ. In its December 9, 2002, reply, Staff stated that it has no objection to the final design as long as the Company complies with all applicable NESC requirements. As a condition of the amended certificate, we will require the Company to comply with the conductor clearance requirements, and all other applicable requirements, of the NESC.

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² We will accept Staff's December 9, 2002, reply, which has not been opposed by the Company.

Staff's December 9, 2002, reply also included a letter from the DEQ, wherein the DEQ stated that it has no objection to the final design as long as Dominion adheres to the DEQ Recommendations. As noted above, we have adopted the Hearing Examiner's findings, including that the Company should comply with the DEQ Recommendations.

Finally, Dominion's November 13, 2002, response to the Hearing Examiner's report also requests the Commission to recognize that the DEQ recommendation regarding an environmental site assessment has been satisfied based on the availability of the assessments prepared by Burgess and Niple. We will neither confirm nor deny the Company's request based solely on its November 13, 2002, response. The Company must comply with all the conditions that we place on the amended certificate granted herein.

Accordingly, IT IS ORDERED THAT:

- (1) Dominion is authorized to construct and operate two parallel 500 kV transmission lines in Fluvanna County as proposed in this case and provided for in this Order.
- (2) Pursuant to §§ 56-265.2, 56-46.1, and related provisions of Title 56 of the Code of Virginia, the Company's application for a certificate of public convenience and necessity to construct two parallel 500 kV transmission lines in Fluvanna County is granted as set forth in this Order.
- (3) Pursuant to the Utility Facilities Act, Chapter 10.1 (§§ 56-265.1 et seq.) of Title 56 of the Code of Virginia, Dominion is issued the following amended certificate of public convenience and necessity for the Dooms-Elmont transmission line:

Certificate No. ET-81g which authorizes Virginia Electric and Power Company under the Utility Facilities Act to operate presently constructed transmission lines and facilities in Fluvanna County, and to construct and operate the proposed 500 kV transmission lines as authorized in Case No. PUE-2001-00663, all as shown on the detailed

map attached to the certificate; this Certificate No. ET-81g will replace Certificate No. ET-81f previously issued to Virginia Electric and Power Company.

- (4) As a condition of the certificate granted in this case, Dominion will comply with the recommendations contained in the Department of Environmental Quality's coordinated review, dated May 21, 2002.
- (5) As a condition of the certificate granted in this case, Dominion will comply with the conductor clearance requirements, and all other applicable requirements, of the National Electrical Safety Code.
- (6) As a condition of the certificate granted in this case, the transmission lines must be constructed and in-service by January 1, 2006; however, the Company is granted leave to apply for an extension for good cause shown.
 - (7) This case shall be dismissed and removed from the list of pending cases.